

Negombo Municipal Council

Gampaha District

1. Financial Statements

1.1 Presentation of Financial Statements

The financial statements for the year 2019 had been presented for audit on 28 February 2020 and the summary report of the Auditor General on the financial statements and the detailed management report had been forwarded to the Chairman on 08 September 2020 and 30 September 2020 respectively.

1.2 Adverse Opinion

In my opinion, because of the significance of the matters discussed in the basis for adverse opinion section in my report, accompanying financial statements do not give a true and fair view of the financial position of the Negombo Municipal Council as at 31 December 2019 and its financial performance for the year then ended in accordance with Generally Accepted Accounting Principles.

1.3 Basis for the Qualified Opinion

1.3.1 Accounting Deficiencies

Audit Observations	Recommendations	Comments of the Accounting Officer
(a) 23 projects which funded by external organizations of Rs.17,169,892 made agreements for the year under review and received money and made the payments in the year 2020 had not been stated in the accounts of the year under review as payables and receivables.	Accounts should be made accurately.	Inform that actions would be taken accordingly in the future.
(b) Amounts of Rs.5,203,860 and Rs.5,000,000 had been stated respectively in the accounts as payables for purchasing a crew cab and a generator but a purchase had not been done as at 31 December 2019, therefore those accounts had been overstated by Rs.10,203,860.	Accounts should be made accurately.	Inform that it would be corrected by the final accounts in the year 2020.

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| (c) | Making the stadium laid with gravel in Wallawidiya Baldikotuwa had been made the payments of Rs.1,901,077 on 31 December 2018 but it had been stated as payables as at 31 December 2019 the full amount of Rs.2,001,160. | Accounts should be made accurately. | Inform that it would be corrected by the final accounts in the year 2020. |
| (d) | 03 items of Machinery and Equipment purchased of Rs.2,988,800 during the year, a tractor purchased in the year 2018 of Rs.9,279,600 and A Compost Pellet Machine received as a donation in 18 December 2017 had not been capitalized. | Accounts should be made accurately. | Inform that it was not capitalized because the issuing orders had not been given in the year 2019. |
| (e) | The value of the Books received as donation during the year under review had been overstated by Rs.965,598 in the accounts. | Accounts should be made accurately. | Inform that it would be corrected by the final accounts in the year 2020. |
| (f) | Even though the amount of loan installment paid within the year under review of Rs.31,439,368 on 07 Compactors and 08 tractors purchased in the year 2018 and 2019 on the Credit Basis had been capitalized, it had not been adjusted to the Purchasing Expenditure Account. | Accounts should be made accurately. | Inform that it would be corrected by the final accounts in the year 2020. |
| (g) | Payments in Advance for the Entertainment Tax, Advertisement Expenditure, Urban Council Members' Salary accumulated to Rs.235,670 had been stated inappropriately by deducting from the arrears. | Accounts should be made accurately. | Inform that it would be corrected by the final accounts in the year 2020. |
| (h) | The additional debit in rates amount of Rs.4,287,325 according to the rates program had been stated in the accounts as Rs29,287,325 and it had been transferred into the Operational Benefits Accounts by the Journal Entries, therefore that revenue account had been overstated by Rs.25,000,000 and the shortage balance in the income and expenditure account had been made an excessive balance. | Accounts should be made accurately. | Inform that it would be corrected by the final accounts in the year 2020. |
| (i) | The rates in advance received in the preceding year of Rs.6,834,022 had been accounted as Rs.10,448,332 when accounting as a revenue for the year under review. | Accounts should be made accurately. | Inform that it had been accounted corrected. |

(j)	Actions had not been taken to written off by the accounts the goods not recognized the cost that had been recommended to dispose by the board of survey in the year 2018 and the vehicles that had been recommended to dispose by the board of surveys in the years 2013,2016 and 2018 of Rs.16,780,000.	Accounts should be made accurately.	Inform that it would be written off after recognized the cost.
(k)	The billings of rates amounted to Rs.29,287,325 that recognized by the new assessments of the property for the year under review, amendments and other matters had been accounted inappropriately as other income.	Accounts should be made accurately.	Inform that it would be corrected after necessary inspections.
(l)	Even though the Recoverable Utility Services Account should be debited and the Accumulated Fund Account should be credited by Rs.29,384,000 to correct the understated 02 Compactors in the year 2018 it had been debited to the Accumulated Fund Account.	Accounts should be made accurately.	Inform that it would be corrected after necessary inspections.
(m)	The revenue that had written off by the receivable income and the accumulated fund account of Rs.7,822,379 considering as it would be an income not receivable had been accounted again to the revenue receivables and revenue during the year under review.	Accounts should be made accurately.	Inform that it would be corrected after necessary inspections.
(n)	The amount of 30 percent payable for the Board from the amount received by leasing out The Water Garden in Eththukala received by the Western Provincial Tourist Board had not been allocated provisions in the accounts.	Accounts should be made accurately.	Inform that it would be corrected after necessary inspections.

1.3.2 Unreconciled Accounts

	Audit Observations	Recommendations	Comments of the Accounting Officer
(a)	A difference had been appeared of Rs.19,350,307 between 12 items of accounts in the financial statements and its balances stated in the subsidiary registers as at 31 December 2019.	Actions should be taken to reconcile those differences between the balances and correct.	Inform that it would be corrected after necessary inspections.
(b)	A difference had been appeared of Rs.6,652,117 between 02 items of revenue	Actions should be taken to reconcile those differences	Inform that it would be corrected after necessary

balances and its balances stated in the subsidiary registers. between the balances and correct. inspections.

- (c) Rs.51,746,189 out of the difference of Rs.62,534,989, appeared between the physical stock balance and the stock account, had been transferred to a stock reconciliation account and the rest of the Rs.10,788,800 had been kept as it had been and also the stock reconciliation account had not been settled. Actions should be taken to reconcile those differences between the balances and correct. Inform that it would be corrected after necessary inspections.

1.3.3 Receivable and Payable Accounts

Audit Observations	Recommendations	Comments of the Accounting Officer
(a) <u>Accounts Receivable</u>		
i. Actions had not been taken to settled the Dishonoured cheques value of Rs.980,270 and out of that cheques value of Rs.736,093 were over 10 years and 07 cheques value of Rs.254,920 had not been stated the owner, incurred in the value of payments in advance.	Action should be taken to recover.	Inform that it would be corrected after necessary inspections.
ii. Debtors over 10 years of Rs.5,099,478 and Debtors between 5-10 years of Rs.2,456,847 had been incurred in the balance of the Stock Debtors.	Action should be taken to recover.	Inform that it would be corrected after necessary inspections.
iii. The Debtors over 10 years of Rs.2,152,495 had been incurred in the miscellaneous debtors balance of Rs.2,585,007.	Action should be taken to recover.	Inform that it would be corrected after necessary inspections.
iv. Actions had not been taken to recover the dishonoured cheques of Rs.129,100 received on 02 rates property on 29 March 2019.	Action should be taken to recover.	Inform that actions had been taken to recover but failed therefore actions would be taken according to that.
v. Rs.559,554 out of the Weekly Fair charges Receivable of Rs.1,668,244 had been for the time before the year 2010.	Action should be taken to recover.	Inform that actions would be taken to recover.
(b) <u>Accounts Payable</u>		
The balance of Rs.17,981,758 incurred in the stock creditors balance of Rs.37,310,029 as at 31 December 2019 had been over 05 years.	Action should be taken to settle.	Inform that it would be corrected after necessary inspections.

1.3.4 Lack of Necessary Documentary to Evidence for Audit

Audit Observations	Recommendations	Comments of the Accounting Officer
Agreeable evidence had not been rendered to the audit on 02 items of accounts valued Rs.2,868,097.	Evidence to confirm the balances of accounts in the financial statements should be furnished.	Inform that it would be corrected after necessary inspections.

1.3.5 Transactions not Confirmed by Necessary Authority

Audit Observations	Recommendations	Comments of the Accounting Officer
(a) The arrears in the Rest House charges coming from the year 2013 of Rs.147,345 had been written off without the approval of the Minister in charge of the subject.	The approval of the Minister in charge of the subject should be obtained.	Inform that the approval had been taken to correct the registers by the Sabha.
(b) A value of Rs.9,827,721 had been written off as Tax redemptions given regarding the year under review without an approval of the Sabha	The approval of the Sabha should be obtained.	Actions had being taken to obtain the Sabha approval from the January 2020.
(c) The advances given to an officer of Rs.1,358,785 had been written off by the Accumulated Fund Account considering as it had been settled based on an Affidavit even though it had not been settled.	The settlements should be done on the evidence that could be confirmed.	Inform that it would be reported in the future after necessary inspections.

1.4 Non Compliances

Non-compliance with Laws, Rules, Regulations and Management Decisions

Reference to Laws, Rules, Regulations and Management Decisions	Non Compliances	Recommendations	Comments of the Accounting Officer
(a) The Municipal Council Ordinance (Chapter 252) Section 218	A statement had not been forwarded to the Sabha on the payments by the Fund of the Municipal Council and receipts to the fund within that year after ending the financial year.	The Management should consider on obeying the rules stated in the Act.	Inform that actions would be taken to forward a summary report of the monthly statement in the future after the financial year.

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| (b) | <u>Financial Regulations of the Democratic Socialist Republic of Sri Lanka</u> | | | |
| | i. F.R.371(2) | Actions had not been taken to settle Rs.5,099,478 of Advance given from the year 1986. | Actions should be taken according to the Financial Regulations. | Inform that it would be reported in the future after necessary inspections. |
| | ii. F.R. 571 | Actions had not been taken to recognize and dispense deposits over 02 years of Rs.3,227,857 | Actions should be taken according to the Financial Regulations. | Actions would be taken to settle the deposits for over 02 years. |
| (c) | The Urban and Waste Management Rules No.01 of the Western Province 2008
Rule No.16,50,52 and 56 | Actions had not been taken according to the rules regarding the waste management. | The relevant rules should be obeyed. | The public had been noticed about the collection of the garbage and the reports regarding the amount of garbage had been maintained. The garbage had been covered by clothes and informs that the waste not perishable had been sent for the Insi Company in Chilaw. |
| (d) | Conditions in the Agreement made with a private institution for disposing garbage in the Bazaar II Division and Thalahena area during the year 2019 and 2020
No.05,06,08 and 16 | The conditions had been broken in the agreement but the agreement had not been ended. | The Management should pay the attention to act according to the agreement. | Inform that actions are being taken under the conditions of the agreement. |

2. Financial Review

2.1 Financial Results

According to the financial statements presented, the excess of recurrent expenditure over revenue of the Sabha for the year ended 31 December 2019 amounted to Rs.181,543,820 as compared with the excess of recurrent expenditure over revenue of the preceding year amounting to Rs.273,610,198.

2.2 Financial Control

Audit Observations	Recommendations	Comments of the Accounting Officer
(a) Municipal Council had been obtained bank drafts continuously and the bank draft had been increased to Rs.33,575,589 as at 31 December 2019. Obtaining bank drafts like this is against the provisions under the section 206(1) of the Municipal Councils Ordinance.	The Management should consider on keeping a better situation in the financial control.	Inform that the bank drafts had been obtained under the recommendations of the Chief Management Assistant on 24 January 2019 and 07 August 2019.
(b) Even though it had been aware that the interest on bank drafts should be 13.25 percent and the interest on the loan should be 12.75 it should be paid as the interest on the bank draft from 2007 to 2018 of Rs.14,256,116 and Rs.1,387,685 in the year 2019 with an interest rate of 13.25 percent.	Sabha should follow the most favourable method.	Inform that it would be reported in the future after necessary inspections.
(c) Even though Rs.54,200,000 had been allocated by the annual budget during the year under review for 29 Projects funded by the Sabha funds because of making 23 agreements of Rs.88,907,923 it had been exceeded the provision by Rs.34,707,923.	The Management should consider on keeping a better situation in the financial control.	Inform that it would be reported in the future after necessary inspections.

2.3 Revenue Administration

2.3.1 Estimated Revenue, Revenue Billed, Revenue Collected and the Arrears of Revenue

Information relating to the estimated revenue, revenue billed, revenue collected and the arrears of revenue furnished for the year under review and the previous year appear below.

Source of Revenue	2019				2018			
	Estimated Revenue	Revenue Billed	Revenue Collected	Total arrears as at 31 December	Estimated Revenue	Revenue Billed	Revenue Collected	Total arrears as at 31 December
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
(i) Rates and Taxes	171,296	165,026	106,338	126,585	147,458	169,807	169,484	109,892
(ii) Rent	35,932	34,470	29,582	19,099	39,640	37,378	34,859	19,867
(iii) Licence Fees	71,040	60,723	59,263	4,625	59,063	62,890	61,435	5,418
(iv) Other Revenue	339,998	387,779	318,830	70,723	288,638	440,246	335,652	109,257
Total	618,266	-647,998	514,013	-221,032	-534,799	710,321	601,340	244,434

2.3.2 Rates and Tax

Audit Observations	Recommendations	Comments of the Accounting Officer
(a) According to the documents in the Kochchikade Sub office it had been recovered only Rs.3,921,797 that was 39.5 percent out of Rs.9,905,000 the rates that should be recovered as at 01 January 2019 of within the year under review.	Actions should be taken to recover the arrears.	It had been unable to reach the expected level of income because of the Easter Attack on 21 April 2019.
(b) According to the documents in the Head Office it had been recovered only Rs.39,614,518 that was 45 percent out of Rs.87,769,094 the arrears recoverable as at 01 January 2019 of within the year under review.	Follow up actions should be taken on recoverable.	Actions had been taken to recover the arrears by holding 06 mobile services but inform that the tax payers are not encouraged to pay tax.

2.3.3 Rent

Audit Observations	Recommendations	Comments of the Accounting Officer
(a) The Lease agreement for collecting the Parking Charges and maintenance the lavatories at Eththukala Beach Garden had been offered to a same person from the year 2003 and the tender had been offered raising the charge by 10 percent for the lease amount of Rs.2,244,000 the year 2018 for the year 2019 on the request of the tenderer. The tenderer had been chosen without a proper procurement procedure.	The procurement procedures should be followed.	Inform that actions had been taken under the decisions of the Sabha and the Financial Committee.
(b) The maintenance and the operations of the Eththukala Water Garden had been decided to offer to the same person who carries out the prevailing controls without a procurement procedure on a monthly charge of Rs.100,000 without a proper assessment from the 22 February 2019 on his request. A performance bond should be forwarded within 07 days and monthly charge should be paid before the 10 th day of the next month according to the conditions. But the performance bond had been obtained on the 21 April 2019. The monthly charge had not been taken recovered for the month of December and the performance bond had been converted to money on the 14 February 2020 but the Fines had not been charged.	Actions should be taken according to the Circular.	Inform that it had been given until completing the deficiencies and choosing a lessee through tenders by the approval made by the General Meeting on 07 March 2019.

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| <p>(c) The Sunday Fair and the Wednesday fair in Kamachchodaya had been leased out without the regular procurement procedure on an annual lease rent adding more 10 percent and it had been let to collect the lease rent more than half the year 2019 without making an agreement. The deposits amounts for the Sunday and Wednesday fairs had been obtained respectively Rs.205,269 and Rs.150,335 less for the year 2019 and the difference between the amount agreed and the amount collected had been Rs.1,863,840 and Rs.1,055,024 respectively during the year under review. Therefore a Rs.2,918,864 loss had been occurred on the Sabha Fund.</p> | <p>Actions should be taken as to make it more favourable to the Sabha.</p> | <p>Inform that actions had been taken according to the decisions taken by the Sabha and the Financial Committee.</p> |
| <p>(d) Rs.1313,025 had been received in the year 2012 regarding the lease out of the Open Hall in the Second Floor of the Market Complex near the new Bus Stand and it had been failed to collect revenue from it because of not correcting the deficiencies of the hall properly and not making a proper agreement for 07 years. The amount received in the year 2012 had been paid back to the lessee therefore a loss had been occurred to the Sabha Fund.</p> | <p>Actions should be taken to make formal Agreements.</p> | <p>No Comments.</p> |

2.3.4 License Fees

Audit Observations ----- -----	Recommendations ----- -----	Comments of the Accounting Officer ----- -----
<p>(a) License had not been obtained for the 04 Pig Farms bordering to Maoya at the back of the Garbage yard.</p>	<p>Attention of the Public Health Officer should be given.</p>	<p>Inform that it would be reported after necessary inspection.</p>
<p>(b) The Commercial License charges from 10 Lodging Houses carried out within the authority of the Thalahena and Kochchikade Sub Offices had not been recovered for the year 2019.</p>	<p>Actions should be taken after necessary inspections.</p>	<p>Inform that actions would be taken to correct after necessary inspections.</p>
<p>(c) The Environmental License had not been issued for 02 hotels registered in the Tourists Board with less than 20 rooms located within the authority of the Thalahena Sub Office for the year under review.</p>	<p>Actions should be taken after necessary inspections.</p>	<p>Inform that actions would be taken to correct after necessary inspections.</p>
<p>(d) The Other Sources of income carried out in hotels like the income earned from bars, stadiums, Ayurvedic Spas had been neglected because of charging a charge on the number of Rooms for the hotels registered under the Tourists Board</p>	<p>Management should consider in recovering the income from the other resources.</p>	<p>Inform that actions would be taken to correct after necessary inspections.</p>

violating the Regulations in the Municipal Councils Ordinance No. 247(a) (2) and the license for that sources of income had been not issued.

3. Operating Review

3.1 Performance

The following matters were revealed with regard to duties to be fulfilled by the Sabha in terms of Section 4 of the Municipal Councils Ordinance, such as regularization and control of matters relating to public health, common amenities and public highways, healthy environment of the public, facilities, welfare etc.,

(a) **Action Plan**

Audit Observation -----	Recommendation -----	Comments of the Accounting Officer -----
The Garbage had been collected separately only from 07 out of 20 divisions within the authority of the Sabha and an electronic Provincial Control system had not been installed even though Collecting and separating the garbage within the Sabha boundary and installing an electronic provincial control system had been entered in the action plan for the year under review.	A report should be taken according to the annual action plan.	No Comments.

(b) **Solid Waste Management**

Audit Observation -----	Recommendation -----	Comments of the Accounting Officer -----
i. Even though two compost fertilizer stalls had been planned to open in Thaladena and Kochchikade it had not been opened and the mobile service planned to start for selling compost at special occasional instances within the authority of the Sabha and near the bus stand had not been started.	Management should consider in planning and implementing Solid Waste Management policies.	Inform that production had no excess therefore consideration had not been given.
ii. Even though it had planned to develop collecting the waste not perishable it had not been implemented and aids had not been requested from the Western Provincial Council Solid Waste Assist Center in the year 2019.	Management should consider in planning and implementing Solid Waste Management policies.	Inform that that task could not be completed because the provisions had not been allocated.

(c) **Targets of Sustainable Development**

Audit Observation	Recommendation	Comments of the Accounting Officer
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The progress of achieving targets Certifying all the recognized types of sustainable consumption and production and making a healthy complete and sustainably developed economy for all the people, promoting fully efficient and good jobs had been 20 percent.	Actions should be taken to achieve the targets.	The programs planned for the first quarter had only could be achieved by the programs planned for the year 2019 because of the Easter Attacks happened on 21 April 2019 therefore the targets could be achieved by 20 percent.

(d) **Not Allocating the Provisions**

Audit Observation	Recommendation	Comments of the Accounting Officer
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An agreement had been made with a private institution for constructing Fishing Boat Station at Munnakaraya on 18 October 2019 of Rs.7,758,405. But the provisions had not been allocated as at the Technical Evaluation Committee date of 16 September 2019 and the project had been started on 30 June 2020 even though the project should be started within 14 days of the contract signed.	Actions should be taken according to the Government Procurement Procedure.	The Provisions had not allocated at the moment of tendering this project therefore the provisions had been allocated by transfers between the heads. Inform that the construction had been stopped because of conflict among the fishermen and it would be solved.

3.2 Management Inefficiencies

Audit Observations	Recommendations	Comments of the Accounting Officer
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a) A contract had been given to a private institution to collect and to dispose garbage from Thalahena and Bazaar II division and given the permission to dump the garbage where Sabha had dumped garbage for Rs.50,000 monthly charge. The amount of garbage dumped during January to	Decisions should be taken as favourable for the Sabha.	Inform that it had been decided to charge a monthly fee of Rs.50,000 by the Sabha General Meeting on 02 August

June 2019 had been 953 Tractor Loads. Rs.7,110,632 had been spent on supplying gravel and laying gravel on the garbage within that time therefore Rs.192,698 had been spent for a month by the Sabha on the garbage dumped by the private institution. A monthly loss of Rs.142,698 and a total loss of Rs.856,188 from January to June 2019 had been occurred for the Sabha because of charging a monthly fee of Rs.50,000.

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| b) The Legal officer of the Sabha had been authorized of taking legal actions of the Sabha but Sabha had taken the assistance of an external lawyer and paid Rs.782,500 only for the year under review for the lawsuits against the Sabha and lawsuits by the Sabha. | The management should be considered on fulfilling duties assigned. | No comments. |
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3.3 Human Resources Management

3.3.1 Staff loans

Audit Observations	Recommendations	Comments of the Accounting Officer
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Festival advance and special advance balances of Rs.80,739 of 36 officers left the service , deceased and retired and distress loan balance of Rs.592,535 of 18 officers had been included in the employee loan balance as at 31 December 2019 and actions had not been taken to recover any installment within the year under review.	The loan balance in arrears should be recovered.	Actions would be taken to recover the after reconciliation of the difference.

3.4 Operational Inefficiencies

Audit Observations	Recommendations	Comments of the Accounting Officer
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(a) Removing garbage in Thalahna, Pitipana and Bazaar II divisions had been given to a private institution because of appointing the employees recruited for the waste management project “Haritha Mithuru Pivithurupura” for other places therefore Rs.2,200,000 of expenditure had to be spent monthly.	The management should consider on appointing the employees for the recruited tasks.	Inform that employees had been appointed according to the needs of the projects and instances would be occurred that the recruited employees could not be appointed the same project.
(b) The rest of the amount of money for making the Gully Disposal System located in Major Raj	The management should consider on completing	Inform that the deficiencies would be

Stadium, Kurana had been recommended to pay on 25 March 2019 after checking a water sample but Rs.7,012,500 had been paid only deducting retention for a water sample check and late charges. Even though the contracted company had agreed to complete the deficiencies as at 14 September 2018 and hand over the project on 20 November 2018 it had been handed over under a guarantee period of 20 November 2018 to 20 November 2019. But the deficiencies had not been completed as at 15 June 2020 and even though a repair estimate of Rs.676,323 had been forwarded on 24 February 2020. It had been failed to succeed from 10 October 2016 to 30 June 2020. the deficiencies of the project. completed.

3.5 Procurement

3.5.1 Contract Administration

Audit Observation	Recommendation	Comments of the Accounting Officer
<p>(a) <u>Construction of the Two Storied Library Building</u> The two storied library building had been agreed to build for Rs.157,101,803 within a year and started the building construction on 16 March 2016. Rs.88,155,805 out of Rs.168,000,000 had been received from the loan approved by the Local Loans Development Fund at the end of the 02 year grace period, 31 December 2019 to pay back the loan. The time had been lengthened at several times without charging late fines on the request made by the contractor and it had been sub contracted against the agreement by discussing with the contracting company and the consulting company. They had also been abandoned the contract and legal actions could not be taken against them because no agreement. Actions had been taken to end the agreement on 11 March 2020 and no actions had been taken as at 31 December 2019 to recover the amount of Rs.2,427,020 that should be recovered from the contracting company. The project had not been completed as at June 2020.</p>	<p>Actions should be taken to recover the loss from the contractor and black list.</p>	<p>The project had been decide to end because it had been failed to achieve the targets even though tried to complete the project by offering time lengthening and inform that the bank had been aware to take actions to convert the guarantees to money.</p>

(b) Supplying gravel where the Garbage had been dumped and thinning

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| <p>i. The technical evaluation committee had recommended a private institution to purchase gravel and another private institution for thinning and the financial committee had been agreed. But the Sabha had decided to offer the contract, to the same institute which offered the tender to remove the garbage, the above contracts against the decisions of the technical evaluation committee and the financial committee and violating the regulations of the Procurement Procedure.</p> | <p>Management should consider the decisions taken by the technical evaluation committee.</p> | <p>Inform that it had been decided by a Sabha approval made in April 2019 to assign the same institution to obtain an effective service.</p> |
| <p>ii. Rs.7,110,632 had been spent on laying a good layer of gravel about 4-6 inches according to the agreement from January 2019. No reports or registers had been maintained on supplying gravel and it had not been supervised by any officer.</p> | <p>Registers should be maintained in the Garbage yard under supervision of an officer.</p> | <p>Actions would be taken to consider this situation.</p> |

3.5 Surcharges to be recovered

----- Audit Observations -----	----- Recommendations -----	----- Comments of the Accounting Officer -----
<p>Rs.2,403,614 should be recovered as at 31 December 2019 from the surcharges imposed by me under the regulations of the Municipal Council Ordinance (Chapter 252) 226(1) against the persons responsible from the year 2006.</p>	<p>Surcharges should be recovered.</p>	<p>No Comments.</p>

3.6 Assets Management

3.6.1 Idle Assets

----- Audit Observations -----	----- Recommendations -----	----- Comments of the Accounting Officer -----
<p>(a) 07 machines, a laptop computer of Rs.17,819,076 and a vibrating road crushing machine value not stated received in the year 2017 had been idled.</p>	<p>The Assets should be utilized.</p>	<p>Inform that actions would be taken to issue store goods not issued and assign them to work.</p>
<p>(b) A tractor valued of Rs. 9,279,600 purchased in the year 2018 had not been used and the compactor received in the December 2018 and a compost pellet received as a donation in the December 2017 had been idled.</p>	<p>The Assets should be effectively used.</p>	<p>Inform that actions would be taken to issue store goods not issued and assign them to work.</p>

4. Accountability and Good Governance

4.1 Procurement Plan

Audit Observations	Recommendations	Comments of the Accounting Officer
A procurement plan had not been made for the year under review.	A procurement plan should be made at the end of the preceding year.	Inform that it had been received the approval of at the General Meeting held on the 1 August 2019

4.2 Audit Observations not answered

Audit Observation	Recommendation	Comments of the Accounting Officer
Audit query issued on Financial Statements for the year 2018 and an Audit query issued on Financial Statements for the year 2019 had not been answered as at 30 June 2020.	Answers should be given as soon as possible.	Actions would be taken to answer in the future.